

Round II Program Guidelines Request for Waiver

Date:

Waiver Request #: 4

The City of Galveston Program, working with a local advisory committee (Program) for the Hurricane Ike/Dolly Round II Community Development Block Grant Disaster Recovery Program recommends that it is in the best interest of the residents of City of Galveston to deviate from the Statewide Guidelines as written and therefore request a waiver of the Texas General Land Office, GLO, Round 2 Housing Program Guidelines.

The Guidelines state (Attachment A II N. (Page 33 of 72)) that "Rehabilitation of existing, hurricane damaged homes is capped at \$65,000. Additional expenses, such as elevation, are allowed as limited by the Housing Assistance Caps as described in the General Guidelines. Estimated rehabilitation costs exceeding this cap will be recommended for reconstruction." The Program would like to delete the last sentence of that section and instead replace it with the following information:

For each non-historic unit assessed under the Program, a preliminary budget will be prepared to indicate the potential cost of demolition, elevation, rehabilitation or reconstruction. If the total cost of the project is:

- 1) Less than \$48,750 (75% of Rehab Cap), the City of Galveston will offer rehabilitation services to the applicant. Reconstruction will not be an option.
- 2) More than \$48,750 (75% of Rehab Cap) and less than \$65,000 (Total Rehab Cap) Program will determine if rehabilitation is feasible. The applicant may receive either Rehabilitation or Reconstruction, whichever is appropriate as determined by the City of Galveston Program.
- 3) If Feasibility Analysis indicates a budget in excess of \$65,000 (Rehab Cap) for rehabilitation and the applicant does not desire reconstruction, the City of Galveston will notify the applicant that the project is not feasible and offer an explanation in writing.

If Waiver Request Number 3 is approved raising the rehabilitation cap for historic homes, then we would substitute the new rehabilitation cap of \$160,000 for the existing \$65,000. If the total cost of the project is:

- 1) Less than \$120,000 (75% of Rehab Cap), the Program will offer rehabilitation services to the applicant. Reconstruction will not be an option.
- 2) More than \$120,000 (75% of Rehab Cap) and less than \$160,000 (Total Rehab Cap) Program will determine if rehabilitation is feasible. The applicant may receive either Rehabilitation or Reconstruction, whichever is appropriate as determined by the City of Galveston Program.

- 3) If Feasibility Analysis indicates a budget in excess of \$160,000 (Rehab Cap) for rehabilitation and the applicant does not desire reconstruction, the Program will notify the applicant that the project is not feasible and offer an explanation in writing.

The purpose of the feasibility analysis is to ensure that no rehabilitation project begins without the potential for it to be completed. Without this analysis, we could not be sure that once a rehabilitation project began it would not eventually exceed the height of the cap.

The City of Galveston Program requests on behalf of the City of Galveston Program to grant this waiver to the Round 2 Housing Guidelines.

Submitted by:

Kelly Huck, Project Manager, URS Corporation

DATE

Approved by:

Jorge Ramirez, Deputy Commissioner, GLO

DATE